

## Message Text

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SUBJ: TIN AGREEMENT NEGOTIATIONS: U.S. STATEMENT

FOLLOWING IS THE TEXT OF A STATEMENT MADE BY U.S. DEL ON MAY 29:

1. MR. CHAIRMAN, DISTINGUISHED DELEGATES. AT OUTSET I WISH TO EXPRESS APPRECIATION OF U.S. DELEGATION FOR THIS OPPORTUNITY TO MAKE GENERAL STATEMENT TO EXECUTIVE COMMITTEE. WE REALIZE THAT MUCH WORK REMAINS TO BE DONE AND THAT REMAINING TIME MUST BE CAREFULLY APPORTIONED, BUT HOPE THAT THROUGH STATEMENT I AM ABOUT TO MAKE MUCH TIME CAN BE SAVED IN ENSUING ARTICLE-BY-ARTICLE NEGOTIATIONS. LET ME RESPOND FIRST TO QUESTIONS WHICH HAS BEEN RAISED BY SOME DELEGATIONS AND WHICH MUST BE IN MINDS OF MANY OTHERS: WHAT ARE INTENTIONS OF U.S. IN PARTICIPATING IN THIS CONFERENCE?

2. IN A SPEECH IN KANSAS CITY ON MAY 13, AND AGAIN YESTERDAY IN PARIS, SECRETARY KISSINGER SAID THAT COMMODITY PROBLEMS REPRESENT AREA OF POTENTIAL DIVISION BETWEEN PRODUCERS AND CONSUMERS, BUT THAT THEY ALSO CONTAIN POSSIBILITY OF NEW AND CHALLENGING AREA OF INTERNATIONAL COOPERATION. HE SAID FURTHER THAT U.S. IS PREPARED TO DISCUSS NEW ARRANGEMENTS IN INDIVIDUAL COMMODITIES, ON CASE-BY-CASE BASIS. WE ARE ALREADY ENGAGED IN NEGOTIATIONS FOR NEW AGREEMENT ON COFFEE, TO REPLACE PREVIOUS AGREEMENT OF WHICH U.S. WAS UNCLASSIFIED

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MEMBER, AND WE INTEND TO PARTICIPATE IN PLANNED RE-NEGOTIATIONS OF COCOA AGREEMENT AND SUGAR AGREEMENT.

3. U.S. IN PARTICIPATING IN THIS NEGOTIATION FOR A FIFTH TIN

AGREEMENT WITH INTENTION OF HELPING CONSTRUCT AGREEMENT WHICH WILL SERVE BEST INTERESTS OF ALL PARTICIPANTS, PRODUCERS AND CONSUMERS, DEVELOPING AND DEVELOPED COUNTRIES. MY DELEGATION HOPES THAT WE WILL BE SUCCESSFUL IN THIS EFFORT AND THAT AGREEMENT WHICH WILL EMERGE WILL BE ONE WHICH DELEGATES CAN RECOMMEND TO THEIR GOVERNMENTS. I CANNOT SAY AT THIS TIME WHETHER USG WILL IN FINAL ANALYSIS BE ABLE TO SIGN THIS AGREEMENT AND OBTAIN NECESSARY CONSENT OF SENATE FOR RATIFICATION. I CAN ONLY SAY THAT QUESTION WILL RECEIVE FULLEST CONSIDERATION IN LIGHT OF OUR ANNOUNCED POLICY OF WISHING TO ASSIST IN SOLUTION OF PROBLEMS RELATING TO TRADE IN BASIC RAW MATERIALS AND CERTAIN OTHER COMMODITIES.

4. MY DELEGATION HAS SAID RELATIVELY LITTLE IN COURSE OF FIRST READING OF ARTICLES OF DRAFT AGREEMENT. WE CONSIDERED IT APPROPRIATE THAT FIRST DIALOGUE TAKE PLACE BETWEEN PRESENT MEMBERS OF ITC, WHO HAVE HAD ACTUAL EXPERIENCE WITH WORKING OF PREVIOUS TIN AGREEMENTS AND WHO ARE THEREFORE BETTER ABLE JUDGE WHAT MODIFICATIONS SHOULD BE MADE TO IMPROVE AGREEMENT. WE MAY TAKE MORE ACTIVE PART IN NEXT STAGES OF THIS NEGOTIATION. I SHOULD LIKE TO TAKE THIS OPPORTUNITY TO CLARIFY CERTAIN BASIC PRINCIPLES WHICH WILL GUIDE OUR ATTITUDE.

5. THERE IS NO DOUBT THAT MOST DIFFICULT PROBLEM TO BE RESOLVED IS QUESTION OF COMPULSORY CONTRIBUTIONS BY CONSUMER COUNTRIES TO BUFFER STOCK. IS NOT REAL PROBLEM FACT THAT SYSTEM OF EVALUATING CONTRIBUTIONS UNDER FOURTH AGREEMENT DID NOT PROVIDE ENOUGH FUNDS TO PERMIT BUFFER STOCK TO REACH ITS AUTHORIZED LEVEL OF 20,000 TONS. IF THE BUFFER STOCK COULD ACTUALLY ACCUMULATE THAT QUANTITY OF TIN AND COULD EVEN EXCEED THAT QUANTITY THROUGH VOLUNTARY CONTRIBUTIONS AND RE COURSE TO OTHER SOURCES OF FINANCING, THERE SHOULD BE NO NEED FOR COMPULSORY CONSUMER FINANCING. IT IS POSSIBLE, OF COURSE, THAT CONSENSUS WILL DEVELOP AMONG OTHER DELEGATIONS AT THIS CONFERENCE IN FAVOR OF COMPULSORY CONSUMER CONTRIBUTIONS. AS FOR U.S. POSITION, I CAN ONLY SAY THAT A PROVISION FOR COMPULSORY CONTRIBUTIONS WOULD RAISE A SERIOUS OBSTACLE TO UNITED STATES QALWLN IN AGREEMENT.

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6. ALLOW ME TO STATE VERY BRIEFLY A FEW OTHER CONCERNs. FOURTH AGREEMENT AND DRAFT FIFTH AGREEMENT CONTAIN PROVISIONS FOR VOTING UNDER FORMULAS DESIGNED TO MAINTAIN AN APPROPRIATE BALANCE BETWEEN PRODUCERS AND CONSUMERS. FACT THAT PRODUCERS TEND TO THINK THAT CONSUMERS HAVE TOO MUCH POWER, AND CONSUMERS TEND TO THINK THAT PRODUCERS HAVE TOO MUCH POWER, SUGGESTS THAT AN EVEN BALANCE HAS IN FACT EXISTED. IF THAT BALANCE IS NOW DESTROYED BY SUBSTITUTING SYSTEM OF SIMPLE MAJORITYs IN PLACE OF DISTRIBUTED MAJORITYs, THOSE CRITICS WHO HAVE DISMISSED THE TIN COUNCIL AS A PRODUCER CARTEL WILL BE JUSTIFIED IN THEIR CRITICISM, AND THE ITC MAY NOT

LONG SURVIVE. IN ANY EVENT, PROSPECT OF U.S. PARTICIPATION WILL BECOME MORE REMOTE. TIN HAS THE DISTINCTION AMONG THE METALS AND MINERALS OF HAVING THE ONLY WORKING COMMODITY AGREEMENT. WHAT HAS BEEN ACHIEVED HAS BEEN ACHIEVED THROUGH COOPERATION. LET US GO FORWARD TOGETHER IN THAT SPIRIT.

7. ANOTHER DIFFICULTY RELATES TO TEMPTATION TO GIVE TIN AGREEMENT THE APPEARANCE OF AN ARRANGEMENT SPECIFICALLY AND PRIMARILY DESIGNED TO PROVIDE DEVELOPMENT ASSISTANCE TO PARTICIPATING DEVELOPING COUNTRIES. U.S. HAS AMPLY DEMONSTRATED ITS BELIEF IN CONCEPT OF DEVELOPMENT ASSISTANCE AND CONTINUES TO SEARCH FOR WAYS TO MAKE SUCH ASSISTANCE MORE EFFECTIVE. IT IS ALSO FACT THAT MOST OF TIN PRODUCING COUNTRIES ARE DEVELOPING COUNTRIES; IF THERE IS BENEFIT TO THEIR DEVELOPMENT PLANS FROM TIN AGREEMENT WE REGARD THIS AS RIGHT AND JUST AND A FORTUNATE CIRCUMSTANCE. BUT PRIMARY PURPOSE OF TIN AGREEMENT IS TO PROMOTE EQUILIBRIUM IN TIN MARKET AND TO PERMIT ITS ORDERLY DEVELOPMENT FOR THE BENEFIT OF ALL PARTICIPATING PARTIES; AN ATTEMPT TO GIVE AGREEMENT THE ILLUSION OF HAVING A DIFFERENT CHARACTER CANNOT HAVE POSITIVE IMPACT ON ACHIEVING THE DEVELOPMENT OBJECTIVES OF DEVELOPING PRODUCER COUNTRIES AND DOES THEM DISERVICE.

8. ALONG SAME LINES, MR. CHAIRMAN, AND THIS IS MY LAST POINT, I DO NOT BELIEVE THAT CLOTHING AN ARRANGEMENT OF 20 YEARS' STANDING IN SHROUD OF ONE-SIDED DECLARATIONS OF A NEW INTERNATIONAL ECONOMIC ORDER DOES ANYTHING TO IMPROVE ITS FUNCTIONING OR TO FOSTER SPIRIT OF COOPERATION WHICH IS NECESSARY TO MAKE THIS AGREEMENT OR ANY OTHER AGREEMENT WORK.

9. YESTERDAY IN PARIS SECRETARY KISSINGER SAID, "LET US DEAL IN REALITY, NOT RHETORIC. LET US ADDRESS THE PRACTICAL COMMON CON-

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CERNS OF ALL THE WORLD'S PEOPLES WITH REALISM, MATURITY, MUTUAL UNDERSTANDING, AND COMMON SENSE. THE UNITED STATES WELCOMES A DIALOGUE IN THAT SPIRIT. WE WILL DO ALL WE CAN TO MAKE IT SUCCEED." MR CHAIRMAN AND DISTINGUISHED DELEGATES, I THANK YOU FOR YOUR PATIENT ATTENTION.DALE

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